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ACTION AF-18

INFO OCT-01 EUR-20 NEA-10 ADP-00 NSA-02 ER-11 COME-00

INT-08 OEP-01 PM-08 NSC-10 SS-14 RSC-01 L-03 H-02

TRSE-00 CIEP-02 OPIC-12 OMB-01 CIAE-00 DODE-00 INR-09

P-03 USIA-12 PRS-01 RSR-01 /150 W

076879

R 301515Z JAN 73
FM AMEMBASSY TRIPOLI
TO SECSTATE WASHDC 9628
INFO AMEMBASSY BEIRUT
AMEMBASSY JIDDA
AMEMBASSY KUWAIT
AMEMBASSY LONDON
AMEMBASSY PARIS
AMEMBASSY ROME
AMEMBASSY TEHRAN

C O N F I D E N T I A L TRIPOLI 0117

DEPARTMENT OF STATE L/CDC/MR

REVIEWED BY 9 DATE 12/20/82

RECEIVED DATE
TS DATE
INFO DATE
DISC DATE
RELEAS DATE
EA OF SCI DATE

SUBJ: LARG/OASIS PARTICIPATION NEGOTIATIONS

REF: TRIPOLI 0108 (NOTAL) 02-6 016, A

1. [REDACTED] DISCUSSED WITH ECONOFF
JANUARY 29 MEETING SAME DAY BETWEEN OASIS REPS AND LARG
TECHNICAL COMMITTEE HEADED BY UNDERSECRETARY MUNTASSIR,
WHICH WAS FOLLOW-UP TO MEETING WITH JALLUD REPORTED
REFTEL.

2. [REDACTED] SESSION INVOLVED ONLY DESULTORY EXCHANGE
OF DATA ON PRICING AND PARTICIPATION ARRANGEMENTS IN
GULF, NIGERIA AND ELSEWHERE. BOTH SIDES AVOIDED REAL
ISSUES OF PERCENTAGE OF PARTICIPATION, FORMULA FOR
COMPENSATION, AND MARKETING PRICE.

3. [REDACTED] AFTER EXCHANGE OF DATA AND
SUPPLEMENTARY COMPARISONS, MEETING HAD ADJOURNED SINE DIE.

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COMMENT: DESPITE LACK OF FIREWORKS, OASIS AND LARG HAVE COME UP AGAINST POTENTIALLY DANGEROUS IMPASSE. WORKING LEVEL NEGOTIATORS SUCH AS MONTASSIR ARE EVIDENTLY UNDER INSTRUCTIONS TO OPERATE UNDER ASSUMPTION THAT LARG WILL ACHIEVE MAXIMUM DEMANDS, P.F. 50 PERCENT OF PARTICIPATION, COMPENSATION AT NET BOOK VALUE AND MARKETING AT HALF-WAY PRICE. COMPANIES ARE EQUALLY DETERMINED TO REDUCE THESE TERMS TO SOMEWHERE NEAR PERSIAN GULF SETTLEMENT. IN THIS ATMOSPHERE, TECHNICIANS CAN GO ON EXCHANGING INFORMATION BUT UNLESS THERE IS COMPROMISE BETWEEN ENI MODEL, WHICH LARG WANTS AND GULF AGREEMENTS, WHICH COMPANIES FEEL ARE ACCEPTABLE, THERE CAN BE NO REAL PROGRESS. THOUGH PM JALUD HAS ESTABLISHED NO DEADLINE FOR NEGOTIATIONS, HIS PRESENCE AT OPENING MEETING INDICATES LARG WILL NOT BE SATISFIED WITH PROLONGED STRING OF TECHNICAL MEETINGS. DBS
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